



# DO.06001

## SUPPLIER MANUAL

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### 1. INTRODUCTION

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Industrias Alegre S.A. (hereinafter, I.A.) aims to maintain customer satisfaction. This is why this Supplier Manual is focussed on presenting the management procedures and the specific requirements applicable to Suppliers working with I.A.

The Manual describes, through general principles, a classification system for suppliers, specifying the particularities taken into account for each type of supplier group.

The Supplier undertakes to comply with the requirements contained in this Manual, guaranteeing that both the Supplier and its distribution and supply chain respect the provisions of this document.

## **2. CONSIDERATIONS**

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The main aim of this Supplier Manual is to describe the system used by our company to assess and classify our suppliers.

This Manual affects all suppliers of materials for the production process and services.

Direct suppliers are suppliers which form part of and have a direct impact on the final product. Indirect suppliers are suppliers which do not have an impact on the final product.

The Purchasing Department is responsible for the correct application of this Manual.

### **2.1. Regulations and Management System:**

⑧ → I.A. values the compliance by our Suppliers of their Quality, Environmental and Occupational Health and Safety Management Systems in accordance with IATF 16949, ISO 9001, ISO 14001 and ISO 45001 certification protocols. Copies of such certifications, and their corresponding renewals, must be sent to IA.

Special consideration is also given to the maintenance of a preventative approach highlighting Safety and the Environment, encouraging the development and diffusion of environmentally-friendly technologies.

This also includes the Supplier's commitment to use materials, components, products and services that comply with the applicable laws, regulations and directives in the countries of manufacture, transit and destination of supplies and the marketing of the product it delivers.

Finally, the Supplier guarantees compliance with employment and occupational safety and health regulations during visits to I.A., as well as with I.A.'s environmental recommendations.

### **2.2. Confidentiality**

Any information exchanged between the Supplier and I.A., related to this Manual or the Parties will be treated as confidential, even when not expressly classified as such by the Parties. The same confidential treatment will be applied to the information related to outsourcers of any nature that have directly or indirectly participated in the development, manufacture, technical assessment or transportation of the Product.

The Parties expressly undertake to maintain the confidentiality of all the information they obtain in relation to their dealings with IA. It is forbidden to reveal such information to third parties, either during or subsequent to the conclusion of the Supplier-I.A. relationship. Information that includes any type of plans, designs, models, templates or any other documentation or model that has been generated in compliance with the same.

The Supplier also agrees to use the information provided by I.A. exclusively for the manufacture of the Product.

Following the termination, for whatever reason, of the contractual relationship, the Parties undertake to mutually return the documentation generated during the Supplier - I.A. relationship.

The confidentiality commitment acquired by the Parties will continue indefinitely, including in the event of the termination, for whatever reason, of the Supplier - I.A. relationship.

### **2.3. Corporate Social Responsibility**

The General Management of I.A. declares and sets forth the company's determination to disseminate, implement and uphold a commitment to good business and ethical practices as the main contribution to sustainable development, involving our staff, management teams, customers, suppliers, partners and collaborators on a daily basis, and which serves to reinforce our corporate values as well as boost our culture of regulatory compliance, ethical conduct and corporate social responsibility.

It is for these reasons that all Suppliers that intervene in the processes of purchasing, manufacturing and/or supplying a product and service with I.A. must be aware of and share the values, policies and processes described in our **Corporate Social Responsibility Declaration** (Available in the CSR section of our web site [www.ialegre.com](http://www.ialegre.com)). The same must be extended to the supplier's own supply chain, in such a manner that the supplier's actions and supply chain are based on ethical, transparent principles and a respect for fundamental human, employment and environmental rights.

Special emphasis is given on the respect for, and compliance with, ethical and moral standards of conduct, and abstention from engaging in corrupt practices, including extortion, fraud and bribery as reflected in our Supplier's Ethics Conduct Code section in the annex 2 of the Point 10 of this document.

### **2.4. Restricted substances:**

The Supplier ensures compliance with the applicable regulations regarding the use of restricted substances. That is, a commitment to applying the European Regulation REACH 1907/2006 EC and its subsequent amendments, relating to the registration, evaluation, authorization and restriction of chemical substances and preparations for products manufactured / marketed in the European Union.

Additionally, the Supplier must comply with the Client's additional requirements, if applicable, regarding prohibited, restricted and controlled substances.

By accepting this Supplier Manual, the Supplier confirms and endorses the above-mentioned compliance.

**2.5. Conflict Minerals:** The Supplier agrees to respond promptly, upon receipt of a reasonable request for information in the context of a due diligence procedure, to any requests made to it by, or on its behalf, of information regarding the origin and chain of custody of conflict minerals (expression defined below) necessary for the functionality or manufacture of the Products supplied by the Supplier. To meet this point, the Supplier must: (i) or enroll your company in the iPoint Conflict Minerals Program (IPCMP), at the address <http://www.conflict-minerals.com>, providing through the Internet all the requested information, or (ii) completing the electronic Industry Citizenship Coalition® and Global e-Sustainability Initiative (EICC-GeSI) template at the address <http://www.conflictreesmelter.org> and providing all the requested information to the requesting entity within the Alegre Industry Supplier Quality structure. If the Supplier is a foundry, the supplier also agrees to comply with the protocols of the Conflict-Free Foundries Program developed by EICCGeSI. "Conflict minerals", in the use of such an expression that has

been made previously, means columbita-tantalite, cassiterite, wolframite and gold mineral, whose refining transforms them into tantalum, tin, tungsten and gold, respectively, or other minerals or compounds that in the future are included by the Ministry of the Interior of the United States.

(b) The Supplier understands and acknowledges that the information provided under this point may be provided by Industrias Alegre to its customers and used by them to fulfil their information delivery obligations resulting from the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Law"), including the submission of an SD Model and a Conflict Minerals Report to the U.S. Securities and Exchange Commission, the supplier (i) must ensure that the information provided in that regard is up-to-date and correct and complete, to the best of its knowledge, at the date of its submission, (ii) update such information in due course if the situation of a Product supplied by the Supplier to Industrias Alegre varies during the execution of the Supply Contract by the supplier, and (iii) keep all necessary documentation to justify the information provided in response to the request of Industrias Alegre.

(c) If the Supplier (i) ceases to comply with this commitment (ii) or reasonably fails to demonstrate that all materials processed and/or supplied to Industrias Alegre come from suppliers "outside the conflict of the DRC" (as defined in that term as set out in the aforementioned Law), Industrias Alegre may terminate the Contract, in whole or in part, in accordance with the corresponding clause.

(d) The Supplier agrees to essentially include the requirements set out in subparagraphs (a) to (c) above in all contracts concluded with those of its suppliers supplying materials or sub-components incorporated into the Products supplied to Industrias Alegre.

By agreeing to this Supplier Manual, the Supplier confirms and endorses the compliances described above.

### **3. BID PROCESS AND CONTRACT ASSIGNMENT**

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#### **3.1. Type of suppliers**

For I.A., suppliers are classified into 5 main groups:

**Type 1. Production material supplier.** These are suppliers that supply material and / or components that are part of the structure of the final product. This includes raw materials, components and non-returnable packaging.

**Type 2. Machinery supplier.** Includes suppliers of equipment, devices and productive tools, as well as gauges, molds, pokayokes, etc.

**Type 3. Process supplier.** Includes painting and injection.

**Type 4. Service suppliers.** Includes direct services and outsourced services.

**Type 5. Suppliers of non-production material.** This includes machine tools and spare parts, all types of industrial supplies and products for activities not directly related to the I.A. production process.

#### **3.2. Bid process**

In accordance with the specifications and requirements of our customers, the purchasing department is to request bids from the suppliers.

The Purchasing Department is to request preliminary bids from suppliers. In so far as the offer is not firm, the suppliers do not need to be approved.

For automotive sector suppliers, the client's specific requirements (PPAP, ASPIN, etc.) will be added to the request for samples.

Once the supplier has been selected, the Purchasing Department will notify the supplier of the same and issue a closed or open order/contract indicating the order number, reference, quantity to be supplied, delivery date and price to the chosen supplier, in accordance with the company's administrative regulations. In the specific case of the automotive sector, we will base ourselves on the programs / orders established by the customer, which are received via EDI. These orders are routed internally through the program (MRP) and give rise as a result to a requirements mailbox, in which the orders that are issued to our suppliers are created.

All the specific conditions of each shipment, as well as the material specifications (if any), are to be clearly explained in the order, and I.A.'s general purchasing terms and conditions are to be attached. These conditions are sent at the beginning of the business relationship between the suppliers and I.A.

However, the general purchase conditions will be available to all suppliers via the I.A. website ([www.ialegre.com](http://www.ialegre.com)).

Note: For Type 4 suppliers (Service Suppliers), the terms of the IT.08010 "Control of suppliers and subcontractors. Environmental recommendations" instruction, which includes the environmental considerations under SGA to be met by outsourcers, must be considered.

### **3.3. Main specifications**

Consult the special documentation relative to specific gauges, moulds and poka-yokes specification sheets.

### **3.4. Payment to suppliers**

In general, payment conditions are defined in the general purchasing terms and conditions, clause 24 - Payment method, which states: *"Unless otherwise agreed, payment is to be effected by means of a transfer 60 days after the date of invoice (this date will never be prior to that on which the Supplier adequately deliver the goods or renders the service). Payment by the Purchaser will not imply that the Purchaser considers the contract as correctly executed by the Supplier, or that the Purchaser has waived any right which it may hold. Additionally, the Purchaser reserves the right to make payment through its subsidiaries or parent companies, or to compensate any debit or credit between itself and the Vendor"*.

The procedure will be carried out in this manner unless otherwise specified in the contract, in accordance with the type of supplier and/or service provided.

### **3.5. Guarantee agreements**

As determined in Clause 18 of the Purchase Conditions: *"The vendor grants the purchaser a guarantee period of 5 years. Any different guarantee period agreed between the vendor and the Purchaser must be confirmed up the reception of the order. In this sense, the Vendor hereby guarantees the following to the Purchaser:*

- *All goods supplied under this contract will be executed in accordance with the specifications, drawings, samples or other descriptions provided or described by the Purchaser;*
- *Such goods will be suitable for marketing purposes and free from defects*
- *Any goods under this contract, produced by the Vendor or manufactured according to its specifications, are to be suitable and sufficient to meet the Purchaser's objectives;*

*- During the guarantee period, the Vendor agrees to hold the Purchaser harmless against any claim, complaint, demand, campaign or any other action that is a direct or indirect result of a manufacturing fault and / or defect in the goods and attributable to the Vendor, including any obligation assumed by this supplier document."*

#### 4. PROJECTS

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##### 4.1. Responsibilities by supplier type

###### a) **Type 1 and Type 3 Suppliers**

Suppliers must provide the contact details of the person responsible for projects within their organization, and who is to serve as the interlocutor with I.A. in each of the different projects.

This person should have the ability to be able to deliver all the elements that are necessary to ensure the quality of the product process (PPAP).

The person chosen must have precise knowledge of the supplier's parts and manufacturing processes.

###### Communication of technical information

The supplier must provide all the necessary information in the system defined by I.A.

###### b) **Type 2, TYPE 4 and Type 5 Suppliers**

Suppliers must supply contact details for the person in their organization who is to act as an interlocutor with I.A. for any non-production material service or service.

The person chosen must have the necessary knowledge and capacity to solve any possible problem regarding the service or non-productive material, as applicable.

##### 4.2. PPAP tracking and sample approval

Suppliers of production material and processes must meet the following conditions, covering the needs of I.A. during the management of the projects, up until the presentation and acceptance of the initial samples, including serial deliveries and the initial series.

- Development and special samples: any piece made with non-definitive tools. An initial meeting will be held with the I.A. representative to clarify deadlines and requirements.
- Industrialization:
  - First Definitive Tooling Samples; the first pieces manufactured with definitive tooling and in representative conditions. The pieces will possess the degree of conformity necessary to begin Product Validation. This is accompanied by the control reports and the required documentation.
  - First pieces with tooling and final process; these are the first pieces manufactured with validated tooling and 100% final process available.
  - Validation process; carried out by means of evaluations and the capacity to reach the required product quality and production capacity.
- Homologation:

By means of the presentation of initial samples of a significant production volume, the corresponding PPAP, which will include the following documentation, is to be sent:

  - PSW
  - IMDS (ID. 3950)
  - Dimensional report

- Laboratory report
- Control plan
- Flowchart
- Capacity study
- Plan
- PFMEA
- AAR (appearance, if required)
- Etc.

Note: All samples received by I.A. which are not accompanied by the required reports and are not properly identified will be rejected upon reception.

- Approval of samples:

Samples received by I.A., will be analysed and functionally assessed by the Engineering, Processes and Quality departments, and will be considered validated by all the departments upon the signing of the PSW.

③ → If the decision is "accepted", the Group Quality Department will send a copy of the aforementioned signed PSW to the supplier, and will enter the approval date in the SAP system, so that from that date it will be able to supply serially.

If the decision is "rejected", the Purchasing and/or Quality Department will request that the supplier send new samples for their approval.

Following the rejection of samples, any new samples requested are to be sent with all the corresponding documentation, as if they were entirely different samples.

## 5. LOGISTICS REQUIREMENTS

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### 5.1. Releases

I.A. will communicate quantity and delivery requirements to suppliers using procurements releases.

In the event of a change in release, supplier will request and receive a copy of the updated release from the appropriate I.A. facility. Failure to comply may result in a negative impact to delivery performance.

### 5.2 Quantities

Supplier will ship purchased components and services to the exact quantity per the release. Bulk material quantities will be within 5% of the requirements indicated per the release.

Supplier must immediately contact the receiving I.A. plant in the event that a required quantity cannot be met.

### 5.3 On-time Delivery



The goal for delivery is to achieve 100% on-time.

### ***5.4 Advance Shipping Notice***

If required by I.A., the supplier will forward (by Fax or EDI) an Advance Shipping Notice (ASN) to the receiving I.A. facility.

### ***5.5 Excess Freight Charges***

If we incur excess freight charges due to the supplier's fault, the supplier will be responsible for those excess charges.

### ***5.6 Hazardous Material***

The supplier will annually provide a Material Safety Data Sheet (MSDS) to the I.A. facility receiving any Hazardous Material or parts/components containing Hazardous Materials. All material classified as hazardous by local, state or central government regulations will be identified, documented, handled, packaged and shipped as required by applicable laws, rules and regulations. In addition, the supplier must conform to additional restricted material per the list at [www.ialegre.com](http://www.ialegre.com).

### ***5.7 Packaging and Labelling***

All Parts shall be properly packaged, labelled and marked at your expense in accordance with I.A. requirements.

Unless I.A. specifies otherwise, such requirements shall be in accordance with good industry practices and in such a manner that will not only protect the parts against hazards of shipment, storage, and exposure, but will permit the securing of the lowest transportation rates.

Suppliers will obtain a packaging and labeling requirements and approvals from the receiving I.A. facility. These requirements shall be included in the PPAP package and include photos as examples documented prior to PPAP approval. Suppliers are responsible for making sure that all shipments of Hazardous Materials or parts/components containing Hazardous Materials comply with all Local, State, Federal and Regional Government Hazardous Material laws, rules and regulations.

Each packing slip, bill of lading, shipping notice and invoice shall bear I.A.'s applicable part number, Release number, Purchase Order number, date of shipment, quantity shipped, I.A.'s address, forwarding information and any other information requested by I.A.

Any deviation from I.A. shipping and billing instructions shall be supplier's risk.

### ***5.8 Materials Management Operations Guidelines (MMOG)***

The "M-7: Global Materials Management Operations Guideline Logistics Evaluation (MMOG/LE)" guidelines were developed to reduce the time and work required by suppliers and customers to determine materials process compliance.

Using the guidelines, suppliers complete a self-assessment and receive "A," "B," or "C" ratings based on their compliance. While deficiency in one or more critical areas automatically

earns a "C" rating, the MMOG/LE guide automatically develops an action plan to allow companies to address deficiencies and drive continuous improvement.

Suppliers shall complete the MMOG, or other specified assessment, if requested to do so, by their procuring plant. Suppliers unfamiliar with MMOG shall contact the appropriate plant, for assistance.

### 6. CONTINGENCY PLANNING

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Supplier will conduct a risk assessment of supplier operations that support I.A. facilities, quality requirements and delivery schedules. Each assessment should consider, at a minimum, the impact arising from:

- Natural disasters
- Utility disruptions
- Geo-political hazards
- Supply chain disruptions
- Fire
- EDI
- Facility or system issues
- Information loss – including data breach
- Equipment failure
- Intellectual property claims
- Personnel concerns
- Packaging
- Transportation

### 7. PURCHASED PRODUCTS AND SERVICES (SUB-SUPPLIERS)

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Applied – All regulatory and statutory requirements referring to all applicable actions including specials products and process characteristics must be cascaded down your supply chain to the point of manufacture.

### 8. PRODUCTION

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#### ⑧ → 8.1. Evaluation of supplier performance by service, supply quality, deliveries and price

Quality Commitment: "Zero defects" objective, with which the supplier undertakes to work through continuous improvement to reduce current defects, therefore tending to "zero defects" 100% supplied to IA. The performance of the suppliers will be determined by obtaining a score, which will depend on the main criteria defined with some percentages that can be seen below:

- o Price: 10%
- o Quality: 40%
- o Delivery: 40%
- o Services: 10%

⑨ When Ind. Alegre issues a rejection of the supplier's merchandise, it is mandatory that the problem be studied and reported with a **G8D report**, with the commitment to take all the corrective actions and improvements that emanate from this study.

The system that will perform the calculations to give the grade will be the SAP and each criterion individually will be calculated as follows:

### a) **Price**

For the main PRICE criterion, there are 2 partial criteria from which the main mark is calculated, these are:

ψ Price comparison level: performed automatically by the system

- A material can be supplied by many suppliers, each one supplies it at a different price. This price will be saved in the purchase info records of the material in question. The system calculates the average price for all these prices and compares it with the price of the supplier in question. The difference between the two (in%) will give rise to a previously defined score for said% deviation.

- This is for a material. The system repeats this calculation for all the materials supplied by the supplier and compares prices as mentioned. The average of this score is the supplier's score for the subcriterion Price Level.

ψ Price behavior: it is done automatically by the system

- Compare the movement of prices over time. The fluctuation of the same with respect to prices of previous years will define a percentage of deviation (either positive or negative) that will give a note for this concept.

- This calculation is made material by material and subsequently weighted to give a score to the partial criterion Price Behavior.

### b) **Quality (merchandise quality)**

The main criterion Quality contains two sub-criteria that are automatically evaluated: goods receipt and complaints. The calculation of each of them is carried out as follows:

#### • Goods receipt (GR):

o The goods receipt note is calculated from the quality index (QI) of the inspection lots according to the following formulas:

$IC = (S1 + S2) / (n1 + n2)$  S1 = sum of the quality indicators of the inspection lots

n1 = number of inspection lots

n2 = quantity of deliveries for materials with quality info record for which there are no inspection lots  $S2 = n2 * IC_{max}$

- **Claims:**

o The claim note is calculated from the amount of notification of defects according to the following formula:

$$IC = IC_{min} + (IC_{max} - IC_{min}) * (1 - (N * K) / (F * U))$$

$$IC = IC_{min} \text{ if } (N * K) > (F * U)$$

IC<sub>min</sub> = lower limit of IC

IC<sub>max</sub> = upper limit of IC

N = number of quality notifications in the reference period

K = total expenses for failures

F = percentage of turnover for IC calculation

U = supplier's turnover in the reference period.

- If there is no quality notice, the supplier will obtain the maximum quality index (QI).

- The quality index is reduced in proportion to the number of quality notices in the analyzed period until the minimum quality index is reached. The proportional factor represents the ratio between the overall loss determined by the user due to a claim and the weighted value of all deliveries in the reference period. The value of deliveries, that is, the active turnover of the supplier, is weighted with a percentage factor of turnover.

### **c) Deliveries**

The main criterion Deliveries is made up of two automatic partial criteria that can be seen below as they are calculated:

- **Compliance Criterion Dates of entry**

The system calculates the deviation between the target or planned delivery date and the actual delivery date. This percentage of deviation will generate a note. This grade will be affected by a smoothing factor so that very late punctual deliveries do not result in excessively low grades.

In addition, there is an indicator that marks a minimum% of delivery. In the event that the delivery date is correct but the deviation in quantity is outside a stipulated minimum, that supplier will not be evaluated by the system for that delivery.

### d) **Service**

This criterion is manually updated by the Purchasing Department, which will introduce a note on the quality of the supplier's service based on the value deemed appropriate according to the service provided.

### e) **Total Quality Index**

- The supplier classification is made based on the Global Evaluation obtained, as a sum of the 4 previous criteria (Price, Quality, Deliveries and Service) taking into account the % assigned to each criterion. Classification of suppliers:

Suppliers are classified in accordance with the Total Quality Index obtained.

Classification	Total quality index
Supplier A	90 to 100
Supplier B	80 to 89
Supplier C	70 to 79
Supplier D	0 to 69

This classification will not be made for the Type 3 "Process Supplier" suppliers that will be evaluated according to the requirements of point 8.3.

With the semiannual qualification obtained by the supplier based on quality and service compliance, it will be for the responsible of the purchasing department with the support of plant quality, who will determine which suppliers must take corrective actions to solve the problems and improve their qualification.

- Ⓣ In the case of a "D" score, it will be considered as a "Proposed suspension as a supplier" and will have to submit an action plan so as not to lose the status of supplier of Ind. Alegre s.a. The final decision will be made by the Purchasing and Quality Department. In case of being a supplier imposed by the client and we do not have a positive response regarding the reaction plan, we will contact our client to take action in this regard.

Suppliers of VW products will be requalified each 3 years with VDA 6.3.

### **8.2. Modifications in process**

Suppliers may not make changes to the product, process, materials, components or products without the express approval of the customer.

The process of change follows the following steps:

- The supplier receives modifications for the analysis, except for those proposed by the supplier. The bid and the feasibility must be sent.
- The supplier analyses and confirms the feasibility of the change to the person in charge of the project and / or to Purchasing.

The feasibility will be accompanied by a theoretical production capacity study when the modification affects the same.

- The parts are put into production in order to validate the modification. For Production Material, parts are sent to I.A. together with the required documentation in the presentation of the initial samples or for acceptance.
- I.A. approves the modification and authorizes the Type 1 and 3 Supplier the supply and subsequent shipments with the modified product.
- For Type 4 Suppliers, I.A. must send the corresponding acceptance.

### 5 → 8.3. Evaluation of suppliers Type 3 "Process Supplier"

The Type 3 Suppliers "Process Supplier" will be sent the Quality Agreement annually that they will have to comply with.

At a general level, the objectives to be met will be:

- PPM's: 50
- Number of formalized Incidents: 1
- Delivery fulfilment on date: 100%
- Delivery fulfilment in quantity: 100%
- Manufacturing stops: 0
- Special transportation: 0
- Special status customer notifications related to quality or delivery issues: 0
- Dealer returns, warrant, including field actions and recalls: 0

The results of the evaluation will be sent quarterly, and if they do not meet the agreed objectives, they have to send the corresponding action plan.

### 9. MINIMUM REQUIREMENTS OF THE QUALITY AND ENVIRONMENT SYSTEM FOR SUPPLIERS

I.A. requires Suppliers who are capable of guaranteeing the quality of the product and/or investments supplied, as well as compliance with the applicable environmental legislation and the following Quality and Environment System requirements:

TYPE OF SUPPLIER	MINIMUM	DESIRABLE
Type 1. Productive Material	ISO9001	ISO14001 – IATF16949 o ⓈVDA 6.1– ISO 45001
Type 2. Machinery	---	ISO9001- ISO14001 – IATF16949 - OSHAS 18001/ISO 45001
Type 3. Processes	ISO9001	ISO14001 – IATF16949 o ⓈVDA 6.1– ISO 45001
Type 4. Services	---	ISO9001- ISO14001 – IATF16949 – OSHAS 18001/ISO 45001
Type 5. Non-Productive Material	---	ISO9001 - ISO14001 – IATF16949 – OSHAS 18001/ISO 45001

However, for Type 1 and Type 3 suppliers that require a minimum ISO 9001 certification, they must submit a plan to adapt to the IATF 16949 or VDA6.1 standard.

**OTHER REQUIREMENTS:**

**Responsible for Product Safety "PSCR": As required by our clients, the supplier will have a nominated "Product Safety and Compliance Officer" and a process in place for product safety and compliance.**

### 10. ANNEXES

**ANNEX 1 - TABLE. RELATIONSHIP CONTENT - SUPPLIER TYPE**

Supplier type	TYPE 1. Productive Material Supplier	TYPE 2. Supplier Machinery	TYPE 3. Supplier Processes	TYPE 4. Supplier Services	TYPE 5. Non- Productive Material
Content					
1. Introduction	*	*	*	*	*
2. Considerations	*	*	*	*	*
2.1. Regulations and Management System	*	*	*	*	*
2.2. Confidentiality	*	*	*	*	*
2.3. Corporate Social Responsibility	*	*	*	*	*
2.4. Restricted substances	*	*	*		*
3. Bid Process and Contract Assignment	*	*	*	*	*
3.1. Type of suppliers	*	*	*	*	*
3.2. Bid process	*	*	*	*	*
3.3. Main specifications	N/A	*	N/A	N/A	N/A
3.4. Payment to suppliers	*	*	*	*	*
3.5. Guarantee agreements	*	*	*	*	*
4. PROJECTS	*	*	*	*	*
4.1. Responsibilities by supplier type	*	*	*	*	*
4.2. PPAP tracking and sample approval	*	N/A	*	N/A	N/A
5. Logistics Requirements	*	*	*	*	*
5.1. Releases	*	N/A	N/A	N/A	N/A
5.2. Quantities	*	N/A	N/A	N/A	N/A
5.3. On-time delivery	*	*	*	*	*
5.4. Advance Shipping Notices	*	N/A	N/A	N/A	N/A
5.5. Excess Freight Charges	*	*	*	*	*
5.6. Hazardous Material	*	*	*	*	*
5.7. Packaging and Labelling	*	N/A	N/A	N/A	N/A
5.8. Materials Management Operations Guidelines (MMOG)	*	N/A	N/A	N/A	N/A
6. Contingency Planning	*	*	*	*	*
7. Purchased and Product Services (sub-suppliers)	*	*	*	*	*
8. Production	*	*	*	*	*
☞8.1. Evaluation of supplier performance by service, supply quality, deliveries and price	*	N/A	N/A	N/A	N/A
8.2. Modifications in process	*	*	*	*	N/A
8.3. Evaluation of suppliers Type 3 "Process Supplier"	N/A	N/A	*	N/A	N/A
9. Minimum requirements of the Quality and Environment System for suppliers	*	*	*	*	*

N/A: Not applicable

\*: Applicable

## ANNEX 2-

### **SUPPLIER CODE OF CONDUCT**

Suppliers and their employees, staff, agents and subcontractors (collectively referred to as "suppliers") must adhere to or on behalf of this Supplier Code of Conduct while conducting business relationships with, or on behalf of, Industrias Alegre.

Suppliers must require their next-level suppliers to accept and apply this Code of Conduct in their operations and supply chains. Suppliers must immediately inform their contact of Industrias Alegre, a member of the management of Industrias Alegre or the contacts listed at the end of this document in any situation that causes the supplier to violate this Code of Conduct.

All suppliers of Industrias Alegre must practice their employment practices in full compliance with all applicable laws and regulations and in accordance with the requirements of Industrias Alegre, which may exceed local legal requirements. In all cases where the requirements of Industrias Alegre are stricter than local legal requirements, suppliers will be required to meet the strictest requirements of Industrias Alegre.

While Suppliers of Industrias Alegre are expected to monitor their compliance with the Code of Conduct and demonstrate such adherence, Industrias Alegre may audit suppliers or inspect supplier facilities to confirm compliance. Suppliers who behave in a manner that is unlawful or incompatible with the Code of Conduct, or with any Directive of Industrias Alegre, risk termination of their business relationship with Industrias Alegre. It is necessary to comply with the provisions of the Code of Conduct and to carry out training on it.

### **LEGAL AND REGULATORY COMPLIANCE PRACTICES**

All suppliers of Industrias Alegre must carry out their commercial activities in full compliance with all applicable laws and regulations, while conducting business relationships with or on behalf of Industrias Alegre, and without any limitation must comply with the following requirements in relation to the following aspects:

**Trade:** Comply with all applicable trade controls, as well as all laws and regulations relating to export, re-export and import.



**Fair and Antitrust Competition:** Conduct business operations in full compliance with the antitrust and fair competition laws governing the jurisdictions in which such business operations operate.

**Anti-corruption and anti-bribery:** Do not engage in bribes of any kind, either when dealing with government officials or private sector individuals. Industrias Alegre is committed to complying with the laws relating to the fight against corruption and money laundering of the countries in which it operates.

**Money laundering:** Industrias Alegre, is particularly committed to the prosecution of money laundering and the criminal prohibition of the financing of terrorism. All suppliers of Industrias Alegre shall refrain from promoting, facilitating, participating in or covering any type of money laundering operation, and will in any case proceed to report any money laundering operation of which they are aware.

## ETHICS AND BUSINESS ACTION PRACTICES

All Industrias Alegre's suppliers must conduct interactions and business activities with integrity and must, without limitation, comply with the following provisions:

**Business Records:** Honestly and accurately, you must record and communicate all business information and comply with all applicable laws regarding its completeness and accuracy. They must create, maintain and delete business records with full respect for all applicable legal and regulatory requirements.

**Communication:** They must be sincere, direct and truthful in communications, including those with government officials and representatives of regulatory agencies. They should not falsify any information, both financial and otherwise (e.g. security, environment or qualitative results of any kind). You should never deliberately enter false or misleading data into any report, record, file or expense claim.

**Media:** You should only speak to the press on behalf of Industrias Alegre if you have express written permission from Industrias Alegre for this purpose.

**Gifts and entertainment:** They should apply good judgment in relation to the exchange of gestures of business courtesy. Gifts, meals, leisure activities, hospitality and travel that are excessive or lack of transparency or legitimate objective may be considered bribes, may create the appearance of a conflict of interest, or may be perceived as an attempt to unduly influence decision-making. Gestures of business courtesy to Industrias Alegre employees, if permitted, should be modest and occasional. They should never be offered to gain an undue trading advantage. When deciding whether to offer a gift, leisure activity, or other courtesy, consider the following guidelines:

- Suppliers are prohibited from paying travel, accommodation, gift, hospitality, entertainment or charitable contributions to government officials on behalf of Industrias Alegre.

- Do not offer any value to obtain or retain a benefit or advantage for the giver, and offer nothing that may seem to influence, call into question the judgment, or compel an employee of Industrias Alegre.
- Leisure activities and meals should be modest, infrequent and occur in the normal course of the company's activities.
- Suppliers may not offer any business courtesy gestures if this is not permitted under this code and the vendor's gift policy.
- Consider the limits. The value of any courtesy offered by a supplier to a Industrias Alegre employee may not exceed the limits applicable to the employee's country and business unit. The country and business unit limits of Industrias Alegre may completely prohibit any courtesy or set maximum limits with variable amounts. It is the supplier's responsibility to request the recipient of the applicable limits and not to exceed those limits.
- Suppliers are not authorized to give gifts of any value to any purchase member of Industrias Alegre or its representatives.

**Conflicts of interest:** Avoid actual or apparent irregularities and conflicts of interest. Suppliers should not deal directly with any Industrias Alegre employee whose spouse, convivial, family member or relative has a financial interest in the supplier.

**Rejection of arbitrariness:** In no way may it act arbitrarily or put the self-interest or of third parties before it, either to promote it or to harm it, by making a decision other than that objectively appropriate to the interests of Industrias Alegre.

## FAIR LABOR PRACTICES AND HUMAN RIGHTS

Industrias Alegre expects its suppliers (1) to fully comply with all labor laws, and (2) to share their commitment to respect all human rights and provide equal opportunities at work.

All Suppliers of Industrias Alegre must, without limitation:

- **Do not discriminate or harass:** Suppliers must commit to ensuring a workforce and workplace free from harassment and unlawful discrimination. Suppliers should provide employees with procedures they can use to communicate workplace concerns, including those related to harassment and discrimination, to management's attention to seek an appropriate solution. Suppliers should review these communication procedures on a regular basis. While we recognize and respect cultural differences, suppliers must provide equal opportunities at work and not be involved in acts of discrimination in recruitment, compensation, access to training, promotion, termination or retirement based on race, color, sex, nationality, religion, age, disability, gender identity or expression, marital status, pregnancy, sexual orientation, political affiliation, affiliation, or status. Suppliers must adapt to all disabilities as required by law.

- **Prohibit the use of child labor:** Child labor should not be used under any circumstances. Suppliers should not employ any person under 15 years of age, below the mandatory school age or below the legal minimum working age, whatever the most restrictive requirement. Suppliers are required to have a remediation plan to ensure that, in the event of child labor screening, suppliers must abide by the international standards, local legal requirements or child labor remediation requirements of Industrias Alegre. Industrias Alegre supports all legal forms of youth employment, including the development of legitimate workplace learning programs for the educational benefit of young people. Industrias Alegre will not conduct commercial operations with any supplier that uses such programs fraudulently or misleadingly. Suppliers should prohibit workers under the age of 18 from performing hazardous work, night work and overtime.
- **Use only voluntary labor:** All forms of forced labor by suppliers are totally prohibited, including bonded labor or any other form of forced labor. All forms of prison work are prohibited. Support or participation in any form of trafficking in human beings or involuntary work through threat, coercion, fraudulent claims or other enquiriacy measures are prohibited. Suppliers shall have a voluntary labor compliance plan that (1) establish provisions for the training of the supplier's staff and their awareness of issues related to forced labor, and (2) details the repairs that the supplier will provide in the event of any infringement.
- **Ensure that workers have access to work-related documents:** Suppliers may not require workers to make "deposits", withhold immigration or employee identity documents (including, without limitation, passports, driver's licenses or work permits), or destroy, hide, confiscate, restrict or otherwise deny workers' access to such documents. Workers should be free to give up their employment in accordance with local and national laws or regulations without any unlawful sanction.
- **Use appropriately trained selection services as a measure to support regulatory compliance:** Use only companies and selection services that are trained and comply with international standards, local labor laws of the countries where the engagements are carried out or the requirements of Industrias Alegre, whichever is more stringent. Recruitment fees or other similar fees are strictly prohibited by workers and to be paid to the employer or contracting agent. If it is found that such fees have been paid by workers, suppliers shall be obliged to pay such fees to workers.
- **Promote awareness of the problems of trafficking in human beings:** Inform employees, agents, selection agencies, contractors and subcontractors about supplier policies prohibiting trafficking in human beings and provide training and programs to promote awareness, risk identification, employee

communication, corrective measures, and possible penalties in the event of infringement.

- **Make clear the conditions of employment at the time of hiring:** Suppliers should prohibit the use of deceptive or fraudulent practices during the recruitment or employment process. Suppliers must disclose, in a worker-accessible format and language, basic information about the main terms and conditions of employment, including wages and benefits, the location of work, living conditions, housing and associated expenses (if any), any other expenses at the expense of the worker, and any risks involved in the work. Such disclosure must be made before the worker begins work and, as necessary, during the hiring period. All contracts and employee manuals (where applicable) must (1) clearly state the conditions of employment in a language understood by the worker, and (2) reflect relevant laws and regulations.
- **Treat employees with dignity and respect:** Suppliers should not engage in acts of discipline or physical abuse, threats of physical or sexual abuse, or other forms of harassment. Verbal abuse or other forms of bullying are prohibited.
- **Meet the requirements of working hours and rest days:** Suppliers may not require workers to work longer than the maximum hours established by international standards, local and national law, or the Industrias Alegre requirement, whichever is more restrictive. Suppliers must ensure that overtime is voluntary and paid in accordance with local and national laws or regulations. Workers should be able to have at least one day off for each seven-day workweek. Suppliers must maintain employees' payment records and working hours in accordance with local and national laws or regulations.
- **Guarantee freedom of association:** In accordance with local legal requirements, suppliers must respect workers' rights to freedom of association and collective bargaining.
- **Provide complaint-filing procedures:** Suppliers should provide procedures for employees so that they can communicate workplace concerns to management's attention to find an appropriate solution. Complaint filing procedures should always be accessible and culturally appropriate and include the possibility of filing such a claim anonymously where appropriate. Workers or their representatives should be able to communicate openly and share ideas and concerns with management regarding working conditions and management practices, without fear of discrimination, retaliation, intimidation or harassment, with full guarantee of identity protection. Suppliers shall periodically provide workers with training and information on all complaint procedures. Any form of retaliation against workers for reporting a concern in the workplace is strictly prohibited.

### HEALTH AND SAFETY

Industrias Alegre suppliers are expected to develop and implement health and safety management practices in all aspects of their company.

All Suppliers of Industrias Alegre must, without limitation:

- **Comply** with all occupational safety and health laws and regulations, including, without limitation, laws and regulations addressing occupational safety, emergency preparedness, occupational diseases and accidents, industrial hygiene, physically demanding work, protective measures for the use of machinery, sanitation, food and accommodation.
- **Ensure** that workers have easy access to clean sanitary facilities, drinking water and hygienic food preparation, storage and dining facilities. The dormitories and transport of workers, if any, shall comply with the relevant host country's safety and accommodation rules and be kept hygienic and safe.
- **Establish** a management system that, at a minimum, demonstrates that health and safety management is a fundamental part of the company, encourages employee engagement, and provides appropriate communication channels for employee access to health and safety information.
- **Provide** a safe and healthy working environment for all employees and take appropriate measures to minimize the causes of the risks inherent in the work environment.
- **Implement** a process to ensure that employees comply with all applicable laws and vendor policies and procedures.
- **Establish and implement** business continuity plans that address topics, including but not limited to natural disasters, emergencies, and other potential business disruptions.
- **Prohibit** the use, possession, distribution or sale of illegal drugs.

### COMPLIANCE AND PROTECTION OF THE ENVIRONMENT

Industrias Alegre recognizes its social responsibility in relation to the protection of the environment. We expect suppliers to share our commitment by responding to the challenges posed by climate change and working to protect the environment.

As part of this commitment, all Industrias Alegre suppliers must, without limitation:

- **Comply** with all relevant environmental laws and regulations, including, without limitation, laws and regulations relating to hazardous materials, air emissions, water discharges and waste treatment.
- **Seek** to reduce or eliminate waste of all kinds, including water discharges and energy losses, by applying appropriate conservation measures on supplier premises through (1) the use of conservation-sensitive production and maintenance processes and (2) the reduction, reuse and recycling of materials, where possible, depending on the application of the waste management hierarchy
- **Obtain** and maintain all required environmental records and permits. Follow the communication and exploitation requirements of such permits and keep these permits up to date.
- **To adequately inform** your workers, customers, suppliers, partners and collaborators, about the environmental activities of your company, in order to develop a transparent and sustainable environmental management.
- Where applicable, **identify** any chemical or other material that may be released and which may constitute a threat to the environment, as well as administer such substance or material appropriately to ensure safety during handling, displacement, storage,, use, reuse, recycling and disposal.
- **Adhere** to all applicable laws, regulations and customer requirements with respect to the prohibition or restriction of specific substances in the manufacture or design of products. Meet all customer and legal requirements regarding product and packaging labelling, including content, recycling and disposal.

### PROTECTION OF INFORMATION: DATA, INTELLECTUAL PROPERTY AND PRIVACY

Industrias Alegre suppliers will respect intellectual property rights, protect confidential information, and comply with privacy rules and regulations.

All Suppliers of Industrias Alegre must, without limitation:

- **Protect** and use responsibly the physical and intellectual assets of Industrias Alegre, including intellectual property, material goods, supplies, consumables and equipment, when authorized by Industrias Alegre to use such assets.
- **Respect** the intellectual property ownership rights of Industrias Alegre and third parties, including, without restrictive nature, copyrights, patents, trademarks and trade secrets. Manage technology and knowledge transfer to protect intellectual property rights.
- **Respect** all privacy and data protection laws.
- **Provide** clear and accurate privacy notices when collecting or processing personal data.

- **Respect** the privacy options using only the data as agreed by representatives or customers of Industrias Alegre.
- **Protect** data by creating secure products and services.
- **Cooperate** with The regulatory compliance efforts of Industrias Alegre.

### TRAINING ON THE SUPPLIER'S CODE OF CONDUCT

**Training Compliance:** Suppliers shall establish training measures for their managers and employees in order to understand and comply with the content of the Industrias Alegre Supplier Code of Conduct, applicable laws and regulations, and generally recognized standards. Suppliers are required to have a process and management system to communicate obligations, train all employees and agents working on Industrias Alegre matters, and monitor compliance with the terms of the Supplier Code and legislative provisions.

- Training records are subject to auditing and an annual certification process may be carried out for certain suppliers. In addition to the supplier training obligations listed above, Industrias Alegre provides training to all external personnel who require credentials to access the corporate network of Industrias Alegre, or their facilities, before they obtain their access rights.

### APPROACHING CONCERNS AND REPORTING QUESTIONABLE BEHAVIORS

To report questionable behavior or a possible violation of the Supplier Code of Conduct, we encourage suppliers to collaborate with their primary Contact of Industrias Alegre to resolve any concerns. If that is not possible or appropriate, you may contact the Human Resources Manager and/or the Compliance Officer directly, through the Ethical Channel, by:

- **Email, telephone:** to

*HR Manager:*

**Oscar Baamonde Romano**  
[oscar-baamonde@ialegre.com](mailto:oscar-baamonde@ialegre.com)  
+34 96 122 02 10

*Ethical Channel:*

**Responsible for Regulatory Compliance**  
[ialegre-ethics@ialegre.com](mailto:ialegre-ethics@ialegre.com)

- **Regular Mail:** Send a letter to

**Industrias Alegre S.A.**  
F.A.O. Responsible for Regulatory Compliance  
HR/Compliance department  
14 Riu Verd Street



# **DO.06001**

## **SUPPLIER MANUAL**

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46470 Albal, Valencia  
Spain

- Web: [www.lalegre.com](http://www.lalegre.com)

Industrias Alegre will maintain confidentiality as far as possible, and guarantees that no retaliation will ever be taken against anyone who in good faith informs the company of a possible violation of its supplier code of conduct, collaborates in its investigation or helps to resolve it.

This guarantee does not extend to those who act in bad faith in order to disseminate false information or harm people. Against these unlawful conducts, Industrias Alegre will take appropriate legal or disciplinary action.